

Political Subdivisions Committee Members:

Attached is a short memo outlining some additional information to consider as your Committee discusses the NDPI SB and 2025 SB 2051.

Thanks,

Chris



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House Political Subdivisions Committee
600 E. Boulevard Ave.
Bismarck, ND 58505

RE: Supplemental Information for Committee Consideration

Chairman Longmuir and Members of the Committee:

As you recall, I am the North Dakota Private Investigation and Security Board's (hereinafter, NDPISB) legal counsel. I testified on March 6th, 2025, regarding 2025 SB 2051 which is now in your Committee for consideration. This memorandum containing supplemental information is being submitted in response to the oppositional materials submitted to your Committee and Committee discussions during testimony regarding this Bill.

Legislative Fee Setting

As a reminder, this Bill merely proposes a maximum fee ceiling to allow the NDPISB to more readily adjust fees related to private investigation and private security license holders and industry participants as industry conditions dictate—it does not raise fees. The NDPISB was about to engage in the administrative rules process to set fees to overcome justified expenses the Board previously incurred; however, it is apparent from your Committee's work that there is a overwhelming desire to instead set fees yourselves via legislative initiative.

As your Committee moves to those ends, you must consider the future implications, particularly the need to continually find congressional sponsorship every time modifications are needed. Representative Larry Klemin questioned me as to the preference for the administrative rules process and proffered to the Committee that there is an alternative agency preference for the legislature to set fees in lieu of following the administrative rules process. To be certain, there are pros and cons to each; however, since this is the new direction this Bill is going, the NDPISB will need legislative support and sponsorship for any future fee increase or decrease. Finding a congressman to sponsor agency bills should not be dismissed as ministerial, and with the Committee pushing the NDPISB to modify fees through the legislature, future support and sponsorship will be appreciated.

The Letters of Opposition

As the Committee is aware, several letters of opposition to the Bill were submitted which contained both strawman and ad hominem arguments—particularly protesting fee increases (which was not the focus of this Bill) and personally attacking Executive Director John Shorey (which is amateurish and ill-informed). Notwithstanding the fallacy of the letters of opposition, they seemed to raise concerns of the Committee to a degree which exceeded their weight.

Specifically, those who wrote in opposition made several false, uninformed, and illogical premises to oppose this Bill and oppose fee increases more generally. One such industry consternation is the backlog of issuing paper registration cards, and the ‘easy solution’ proposed by the industry member was to have industry members assist in the NDPISB office. While this appears to be a genuine solution, it naively ignores the fact that the NDPISB office maintains confidential criminal history records information (CHRI) from both BCI and FBI databases, and that access needs to be strictly regulated to ensure compliance with federal law. Notwithstanding the CHRI, each agency file contains confidential and exempt employee information and having one industry member (aka competitor) come in to view and peruse another industry member’s file is entirely unacceptable and violative of state and federal privacy laws.

Other letters of opposition griped that the NDPISB does not advocate or represent the industry enough to the legislature or other state agencies; one example was a desire to have the NDPISB advocate for lower WSI premiums. This viewpoint is entirely ignorant of the exclusive role of an administrative agency. The role of the NDPISB, as all regulatory agencies, is to regulate and enforce the industry; it is not a professional association which advocates or lobbies. The Board of Law Examiners is not the same as the Bar Association just as the Board of Medicine is not to be confused with North Dakota Medical Association.

In addition to commentator confusion and ignorance of issues, patent falsehoods were submitted to the Committee regarding Executive Director John Shorey which further illustrates the amateurish ad hominem argument referenced above. Particularly, it was stated that Shorey owns and operates his own private investigation and/or security agency. While Shorey certainly has a plethora of industry experience, the assertion is entirely untrue. Shorey does have a part-time process service and training company, but he does not hold any agency license or compete with industry participants. Tersely, Shorey does not get paid enough to *not* have a proverbial side-hustle.

A full point-counterpoint breakdown is not productive. However, when the Committee received only a handful of letters of opposition from the 1500+ industry participants discerning scrutiny is merited in lieu of blind acceptance. Of the seven individuals writing “in-opposition” testimony, two individuals are with the same business and two other individuals are with another business—so over half are with two agencies. Four of the seven individuals, either individually or the business they are associated with, have entered into disciplinary stipulations with the Board previously, one stipulation was associated with the DAPL situation involving unlicensed activity. One individual was convicted of a crime while providing private investigation services, had a disorderly conduct restraining order taken out against him associated with that conviction, entered into a disciplinary stipulation with the Board that ultimately led to that individual not being licensed/registered with the Board any longer—and furthermore, this individual is not currently licensed/registered with the Board.

Conclusion

This Committee has taken the position of restructuring the proposed Bill and completely altering the path in which was NDPIBS was going to utilize to continue operations. Accordingly, this Committee should not be myopic in its purview or precedent and fully understand the financial situation facing the NDPIBS, the causes for that situation, and the facts of operation despite minority dissent.

Cordially,

A handwritten signature in black ink, appearing to read 'CRD', written in a cursive style.

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